

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4672-01
Bill No.: HB 1917
Subject: Children and Minors; Juvenile Courts; Family Law
Type: Original
Date: March 5, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$2,848,972)	(\$6,687,139)	(\$9,342,887)
Total Estimated Net Effect on <u>All</u> State Funds	(\$2,848,972)	(\$6,687,139)	(\$9,342,887)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Federal Funds*			
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

* Federal revenues and expenditures to exceed \$1 million annually and net to \$0.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

Officials from the **Department of Social Services (DOS) – Division of Family Services (DFS)** assume the fiscal impact would be in the subsidized guardianship and GAFF programs. DFS estimates the expenditures to be \$2,052,967 in FY 03; \$5,862,482 in FY 04; and \$8,497,305 in FY 05. DFS bases the estimated expenditures on the following assumptions:

1. Only children currently in the custody of DFS will be eligible;
2. Children currently living with relatives will be eligible;
3. 3,135 children in the custody of DFS live with relatives (as of 2/28/01);
4. Juvenile courts capacity and/or desire to pursue this type of guardianship is unknown to DFS;
5. Juvenile court will not change current practices in granting DFS custody of children;
6. Numbers indicate high estimates based on all unknown data;
7. Unknown whether impact for a particular child will be on GAFF or subsidized guardianship, but all funds are General Revenue;
8. No increase in cost for these children;
9. Average maintenance costs for kids in Legal Status #1 (in the care and custody of DFS) are \$218.82/month;
10. Average maintenance costs for kids in subsidized guardianship are \$260.83/month;
11. Identical support costs for both populations – all funded through General Revenue or Block Grant (daycare);
12. Difference between average maintenance costs is \$42.01/month/child (all General Revenue);
13. 1,136 children placed with relatives getting maintenance from Children's Services are Title IV-E eligible;
14. 661 children placed with relatives getting maintenance from Children's Services are funded through General Revenue; and
15. 1,338 children with relatives getting maintenance from TANF – IV-E (assume \$136/month).

Officials from the **Department of Social Services (DOS) – Division of Child Support Enforcement (DCSE)** assume the proposed legislation gives the juvenile/family courts exclusive jurisdiction over paternity and child support for children over which the court already has ASSUMPTION (continued)

jurisdiction. The proposal also gives the juvenile/family courts exclusive jurisdiction over

dissolution of marriages and child support modifications for children over which the court already has jurisdiction. These two changes would appear to remove any authority for the DCSE to establish paternity and child support orders and modify child support cases administratively for foster care cases.

In order to meet federal requirements and time frames, the DCSE utilizes its administrative process to expedite the establishment of paternity, establishment of child support orders, and modifications. This bill would mandate that all foster care cases be determined by the court in a judicial process. The consequence DCSE would encounter is an increased cost to reimburse counties for their expenses in bringing all foster care child support actions through the judicial process. If DCSE cannot work a case administratively, the case is referred to the appropriate Prosecuting Attorney's Office or Multi-County Service Center for judicial process. Although DCSE must assume that these offices will manage foster care cases accordingly, DCSE could possibly see a loss in federal funding due to the additional time that it will take to establish orders judicially. However, determining the fiscal impact this would have on the Division's performance measures, by which the Division earns federal incentives, is not feasible with the information at hand.

According to a report from the MACSS system in mid-December 2001, DCSE has approximately 7,444 foster care cases that need a support order established. Of those 7,444 cases, approximately 1,246 cases also need paternity established before a support order can be obtained. DCSE separates these cases into two groups, as it takes more effort to establish both paternity and a support order rather than only a support order. DCSE concludes:

There are 1,246 cases in need of paternity and support order establishment, with a remaining 6,198 cases in need of establishment of support orders. Based on these statistics, DCSE estimates the proposal would require 23 FTE Attorneys (each at \$40,706 plus fringe benefits, equipment and expenses), 21 FTE Technicians (each at \$25,709 plus fringe benefits, equipment and expenses), and 4 FTE Clerical/Support staff (each at \$23,566 plus fringe benefits, equipment and expenses). DCSE estimates the total cost to be \$2,341,193 in FY 03; \$2,425,463 in FY 04; and \$2,487,007 in FY 05.

Currently, the Multi-County Service Centers, local prosecutors' offices, and all counties' child support expense and equipment expenditures are reimbursed at 66% federal and 34% state fund match rate. Therefore, DCSE can expect to reimburse Multi-County Service Centers and Prosecuting Attorneys for 100% of their child support-related costs. Based on these percentages, DCSE assumes the total cost to the general revenue fund would be \$796,005 in FY 03; \$824,657 in FY 04; and \$845,582 in FY 05. DCSE assumes the total cost to federal funds would be \$1,545,187 in FY 03; \$1,600,806 in FY 04; and \$1,641,424 in FY 05.

FISCAL IMPACT - State Government

FY 2003
(10 Mo.)

FY 2004

FY 2005

GENERAL REVENUE FUND

BLG:LR:OD (12/01)

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<u>Costs</u> – Department of Social Services – Division of Family Services (DFS) Maintenance Payments for Subsidized Guardianship and GAFP Programs	<u>(\$2,052,967)</u>	<u>(\$5,862,482)</u>	<u>(\$8,497,305)</u>
<u>Costs</u> – Department of Social Services – Division of Child Support Enforcement Personal Service (16.32 FTE) Fringe Benefits Equipment and Expense Total Costs – DCSE	<u>(\$455,885)</u> <u>(\$164,164)</u> <u>(\$175,956)</u> <u>(\$796,005)</u>	<u>(\$560,963)</u> <u>(\$202,003)</u> <u>(\$61,691)</u> <u>(\$824,657)</u>	<u>(\$574,987)</u> <u>(\$207,053)</u> <u>(\$63,542)</u> <u>(\$845,582)</u>
Total Costs – DOS	<u>(\$2,848,972)</u>	<u>(\$6,687,139)</u>	<u>(\$9,342,887)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$2,848,972)</u>	<u>(\$6,687,139)</u>	<u>(\$9,342,887)</u>
FEDERAL FUNDS			
<u>Income</u> – Department of Social Services – Division of Child Support Enforcement Federal Match for Child Support Enforcement Activities	\$1,545,187	\$1,600,806	\$1,641,424
<u>Costs</u> – Department of Social Services – Division of Child Support Enforcement Personal Service (31.68 FTE) Fringe Benefits Equipment and Expense Total Costs – DCSE	<u>(\$884,954)</u> <u>(\$318,672)</u> <u>(\$341,561)</u> <u>(\$1,545,187)</u>	<u>(\$1,088,929)</u> <u>(\$392,123)</u> <u>(\$119,754)</u> <u>(\$1,600,806)</u>	<u>(\$1,116,152)</u> <u>(\$401,926)</u> <u>(\$123,346)</u> <u>(\$1,641,424)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2003
(10 Mo.)

FY 2004

FY 2005

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

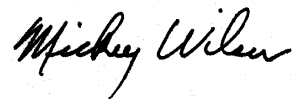
DESCRIPTION

The proposed legislation would expand juvenile court jurisdiction to allow juvenile courts to determine paternity, child custody, and child support in one action. Under current law, paternity actions must be filed separately. Juvenile courts are given jurisdiction over guardianship proceedings for children, and several new forms of guardianship are created. The bill also allows for an automatic transfer to juvenile court of dissolution and modification actions involving children subject to juvenile court jurisdiction.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services
Office of State Courts Administrator
Department of Social Services



Mickey Wilson, CPA
Acting Director

March 5, 2002